

REFERENCE TITLE: GPLET; military use zones

State of Arizona
House of Representatives
Forty-eighth Legislature
Second Regular Session
2008

HB 2803

Introduced by
Representative Nelson, Senator Blendu: Representatives Clark, Crandall,
Thrasher

AN ACT

AMENDING SECTIONS 42-6206 AND 42-6209, ARIZONA REVISED STATUTES; RELATING TO
GOVERNMENT PROPERTY LEASE EXCISE TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 42-6206, Arizona Revised Statutes, is amended to
3 read:

4 42-6206. Development agreements; acknowledgment of tax
5 liability; approval requirements; default

6 Each lease or development agreement between a prime lessee and a
7 government lessor entered into after:

8 1. June 30, 1996 shall include:

9 1. (a) A notice of the tax liability under this article.

10 2. (b) A provision that failure by the prime lessee to pay the tax
11 after notice and an opportunity to cure is an event of default that could
12 result in divesting the prime lessee of any interest in or right of occupancy
13 of the government property improvement.

14 2. MAY 31, 2008:

15 (a) SHALL NOT BE APPROVED UNLESS THE GOVERNMENT LESSOR:

16 (i) NOTIFIES THE GOVERNING BODIES OF THE COUNTY AND ANY CITY, TOWN AND
17 SCHOOL DISTRICT IN WHICH THE GOVERNMENT PROPERTY IMPROVEMENT IS LOCATED AT
18 LEAST SIXTY DAYS BEFORE THE APPROVAL. THE NOTICE MUST INCLUDE THE NAME AND
19 ADDRESS OF THE INTENDED PRIME LESSEE, THE LOCATION AND PROPOSED USE OF THE
20 GOVERNMENT PROPERTY IMPROVEMENT AND THE PROPOSED TERM OF THE LEASE OR
21 DEVELOPMENT AGREEMENT.

22 (ii) DETERMINES THAT, WITHIN THE DURATION OF THE LEASE OR DEVELOPMENT
23 AGREEMENT, THE ECONOMIC AND FISCAL BENEFIT TO THIS STATE AND THE COUNTY, CITY
24 OR TOWN IN WHICH THE GOVERNMENT PROPERTY IMPROVEMENT IS LOCATED WILL EXCEED
25 THE BENEFITS RECEIVED BY THE PRIME LESSEE AS A RESULT OF THE DEVELOPMENT
26 AGREEMENT OR LEASE ON THE BASIS OF AN ESTIMATE OF THOSE BENEFITS PREPARED BY
27 AN INDEPENDENT THIRD PARTY IN A MANNER AND METHOD ACCEPTABLE TO THE GOVERNING
28 BODY OF THE GOVERNMENT LESSOR. THE ESTIMATE MUST BE PROVIDED TO THE
29 GOVERNMENT LESSOR AND THE GOVERNING BODIES OF THE COUNTY AND ANY CITY, TOWN
30 AND SCHOOL DISTRICT IN WHICH THE GOVERNMENT PROPERTY IMPROVEMENT IS LOCATED
31 AT LEAST THIRTY DAYS BEFORE THE VOTE OF THE GOVERNING BODY.

32 (b) MUST BE APPROVED BY A SIMPLE MAJORITY VOTE OF THE GOVERNING BODY
33 WITHOUT THE USE OF A CONSENT CALENDAR.

34 Sec. 2. Section 42-6209, Arizona Revised Statutes, is amended to read:

35 42-6209. Abatement of tax for government property improvements
36 in single central business district

37 A. A government lessor shall abate the tax provided for under this
38 article for a limited period beginning when the certificate of occupancy is
39 issued and ending eight years after the certificate of occupancy is issued on
40 a government property improvement that is constructed either before or after
41 July 20, 1996 and that meets the following requirements:

42 1. The improvement is located in EITHER:

43 (a) A single central business district in a slum or blighted area that
44 is established pursuant to title 36, chapter 12, article 3 and is subject to
45 a lease or development agreement entered into on or after April 1, 1985.

1 (b) A MILITARY USE ZONE AND IS SUBJECT TO A LEASE OR DEVELOPMENT
2 AGREEMENT ENTERED INTO AFTER MAY 31, 2008. FOR THE PURPOSES OF THIS
3 SUBDIVISION, "MILITARY USE ZONE" MEANS:

4 (i) IN THE CASE OF A MILITARY AIRPORT AS DEFINED IN SECTION 28-8461,
5 ALL PROPERTY LOCATED WITHIN THE HIGH NOISE OR ACCIDENT POTENTIAL ZONE AS
6 DEFINED IN SECTION 28-8461, IF ZONING AND DEVELOPMENT OF THE PROPERTY
7 COMPLIES WITH THE REQUIREMENTS OF SECTION 28-8481, SUBSECTION J.

8 (ii) IN THE CASE OF A CLOSED MILITARY FACILITY THAT WAS USED FOR
9 OPERATIONAL AND TRAINING PURPOSES OF THE ACTIVE UNIFORMED SERVICES OF THE
10 UNITED STATES, AN AREA WITHIN A THREE MILE RADIUS CENTERED AND MEASURED FROM
11 THE POINT THAT IS COINCIDENT WITH THE CENTERLINE AT THE BEGINNING OF THE
12 LONGEST OR ONLY RUNWAY AT THE TIME OF CLOSING OF THE MILITARY FACILITY.

13 2. The government property improvement resulted or will result in an
14 increase in property value of at least one hundred per cent.

15 B. Unless waived by the government lessor, the prime lessee shall
16 apply for the abatement before the taxes under this article are due and
17 payable in the first year after the certificate of occupancy is issued. The
18 prime lessee shall notify the government lessor if the government property
19 improvement no longer qualifies for abatement under this section.

20 Sec. 3. Application

21 This act does not apply to any lease or development agreement with
22 respect to a government property improvement pursuant to title 42, chapter 6,
23 article 5, Arizona Revised Statutes, entered into and created as a result of
24 an inducement resolution adopted by a government lessor before June 1, 2008.